

Message Text

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ACTION EA-09

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CINCPACREP GUAM//TTPI

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E.O. 11652: N/A

TAGS: TQ, JA, EAIR

SUBJ: VISIT OF CONGRESS OF MICRONESIA DELEGATES TO DISCUSS

TOKYO-SAIPAN ROUTE CASE WITH GOJ

CINCPACREP PASS SAIPAN FOR HICOM AND STATUS LNO

FOR: HICOM AND STATUS LNO

DEPT PASS INTERIOR FOR DOTA AND OSN

REF: STATE 236781

1. PER REFTEL, EMBASSY ARRANGED APPOINTMENTS AND ACCOMPANIED COM HOUSE SPEAKER HENRY, SENATOR MANGFUL AND ATTORNEY MICHAEL WHITE TO FOREIGN AFFAIRS MINISTRY AND MINISTRY OF TRANSPORT ON OCTOBER 7.

2. AT FONOFF, DELEGATION RECEIVED BY NORTH AM AFFAIRS BUR DEPT DIR GEN ASAO AND 1ST NA DIV NUMATA AND MATSUOZAWA. DURING PRESENTATION BOTH HENRY AND WHITE STRESSED THE IMPORTANCE OF CONTINENTAL/AIR MICRONESIA'S SERVICE IN BINDING THE WIDE-FLUNG ISLANDS TOGETHER, THAT THE LIMITED OFFICIAL USE

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COM BELIEVES THE TERRITORY SHOULD BE SERVED BY AN

AIRLINE IN WHICH THE PEOPLE OF MICRONESIA HOLD EQUITY, AND THAT A THROUGH SERVICE BETWEEN THE ISLANDS AND JAPAN VIA SAIPAN IS A VITAL NECESSITY FOR THE ECONOMIC DEVELOPMENT OF THE TERRITORY, ESPECIALLY FOR PROMOTING TOURISM. WHITE STATED THAT JAPANESE TOURISTS WHO SHOULD BE GOING TO MICRONESIA ARE INSTEAD GOING TO HAWAII FOR TWO REASONS: A) NO SINGLE CARRIER PROVIDES THROUGH SERVICE FROM TOKYO VIA SAIPAN TO THE OTHER MICRONESIA ISLANDS AND B) THE AIR FARES CHARGED ARE THEREFORE HIGHER THAN AIR FARES TO HAWAII. WHITE STATED THAT AIR MICRONESIA WAS LOSING MONEY AND NEEDED THE TOKYO/SAIPAN ROUTE TO BECOME PROFITABLE. HE ALSO INDICATED THAT APPLICATIONS FILED BY VARIOUS U.S. CARRIERS WITH THE USCAB FOR THE ROUTES PROJECTED A GROWING TRAFFIC AND THAT, SO FAR AS MICRONESIA WAS CONCERNED, JAL WOULD ALSO BE WELCOME TO FLY FROM TOKYO THROUGH SAIPAN AND ON TO THE REST OF MICRONESIA.

3. IN REPLY, ASAO STRESSED THE GOJ'S CONCERN OVER THE "OVERALL-IMBALANCE" IN THE U.S./ JAPAN AVIATION RELATIONS AND THAT THE GOJ HAD TO LOOK AT THIS CASE IN THE CONTEXT OF THE LARGER BILATERAL RELATIONSHIP. WHEN MATSUOZAWA EXPRESSED CONCERN THAT CONTINENTAL MIGHT, ON ITS HAWAII-SAIPAN AND, IF GRANTED, TOKYO ROUTE, PICK UP HONOLULU-TOKYO TRAFFIC NOW CARRIED BY JAL, WHITE POINTED OUT THAT THIS WAS HIGHLY UNLIKELY AS CONTINENTAL MAKES ABOUT 6 STOPS BETWEEN HONOLULU AND SAIPAN. WHEN ASKED WHEN PRESIDENT FORD WILL MAKE A DECISION ON THE USCAB RECOMMENDATION, WHITE REPLIED THAT HE DIDN'T KNOW BUT THAT THE GOJ'S OPINION ON THE MATTER WAS OF "CRITICAL" IMPORTANCE. IN SUMMATION, NUMATA INDICATED THE POSITION OF THE GOJ ON THE ROUTE CASE IS PARTIALLY A FACTOR OF HOW INDEPENDENT MICRONESIA CAN BE IN DETERMINING ITS OWN AIR POLICY: I.E., CAN MICRONESIA'S OWN INTERESTS BE SEPARATED FROM THE LARGE BACKGROUND OF US/JAPAN AVIATION RELATIONS. IN REPLY TO A DIRECT QUESTION FROM WHITE AS TO WHETHER THE GOJ WOULD ALSO BE OPPOSED TO THE AWARDED OF THE ROUTE TO PAN AM, ASAO AND NUMATA AGREED THE GOJ POSITION WAS "A QUESTION OF DEGREE": I.E., THE GOJ WOULD BE LESS OPPOSED TO A LIMITED OFFICIAL USE

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ROUTE AWARD TO PAN AM.

4. AT THE MINISTRY OF TRANSPORT, THE DELEGATION WAS RECEIVED BY JCAB DEP DIR GEN FOR INTL AFFAIRS YAMAJI AND INTL AFFAIRS DIVISION DEP DIR UDA. IN REPLY TO COM HOUSE SPEAKER HENRY'S PRESENTATION OF VIEWS YAMAJI STATED QUITE FRANKLY THAT THE GOJ DID NOT WANT TO SEE A "NEWCOMER" INTRODUCED TO THIS PART OF THE PACIFIC

AND THAT THE GOJ FEARED THAT, SHOULD CONTINENTAL/AIR MICRONESIA BEGIN A TOKYO/ SAIPAN SERVICE, A "FARE WAR" BETWEEN JAL, PAN AM AND CONTINENTAL/AIR MICRONESIA COULD WELL ENSUE. YAMAJI ALSO INDICATED THAT SEVERAL OTHER CARRIERS WOULD EITHER LIKE TO BEGIN OR INCREASE THEIR SERVICES TO TOKYO/OSAKA AIRPORTS BUT DUE TO THE OVERCROWDING THERE, THIS WAS IMPOSSIBLE. THE CONGESTION WOULD BE EASED BY THE OPENING OF NARITA AIRPORT, NOW PROJECTED FOR AUTUMN 1976. YAMAJI ALSO STATED FLATLY THAT, IF A ROUTE AWARD MUST BE MADE, THE GOJ WOULD PREFER THE AWARD OF THE TOKYO/SAIPAN ROUTE TO PAN AM"AS PAN AM COULD PROBABLY MAKE ROOM WITHIN ITS PRESENT SCHEDULE OF OPERATIONS AT HANEDA FOR THE ADDITIONAL FLIGHTS."

5. YAMAJI ALSO INDICATED THE GOJ'S FEAR THAT US CARRIER SERVICE ON THE TOKYO/SAIPAN ROUTE WOULD TAKE TRAFFIC AWAY FROM JAL ON THE TOKYO/GUAM ROUTE. IN REPLY TO THIS, WHITE ASSURED YAMAJI THAT CONT/AIR MICRONESIA DID NOT WISH TO INFRINGE ON JAL'S TRAFFIC AND OFFERED AGAIN, SO FAR AS MICRONESIA IS CONCERNED, TO LET JAL FLY THROUGH SAIPAN ON TO THE REST OF THE MICRONESIA ISLANDS. HE ALSO INDICATED THAT SOME SORT OF "ARRANGMENT" COULD BE WORKED OUT TO "SAFEGUARD" JAL'S GUAM MARKET: I.E., AIR MICRONESIA WOULD AGREE NOT TO FLY PASSENGERS FROM GUAM TO SAIPAN TO CONNECT WITH CONT/AIR MICRONESIA'S SERVICE TO TOKYO THUS LEAVING JAL'S GUAM-TOKYO MARKET INTACT. YAMAJI EXPRESSED DEFINITE INTEREST IN THIS PROPOSAL, SAID HE WOULD STUDY IT FURTHER, AND BE IN TOUCH WITH THE DELEGATION THROUGH EMBASSY TOKYO.

6. EMBASSY COMMENT: DELEGATION PRESENTED CLEAR CASE AS LIMITED OFFICIAL USE

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TO WHY AWARD OF ROUTE TO CONT/AIR MICRONESIA IS IN MICRONESIA'S INTEREST BUT WERE UNABLE TO POINT OUT HOW SUCH AN AWARD MIGHT BE IN JAPAN'S INTEREST AS WELL. NEVERTHELESS, YAMAJI'S POSITION DEFINITELY MELLOWED DURING INTERVIEW AS INDICATED BY HIS WILLINGNESS STUDY FINAL DELEGATION PROPOSAL. COM DELEGATION PLEASED BY SYMPATHETIC ATTITUDE OF GOJ OFFICIALS AND HIGH LEVEL AT WHICH TALKS HELD. THOUGH YAMAJI WILL STUDY PROPOSAL, WE EXPECT OVERALL GOJ POSITION ON ROUTE CASE WILL NOT CHANGE, THOUGH GOJ MAY BECOME LESS OUTSPOKEN IN ITS SUPPORT OF PAN AM. IMPLICIT THROUGHOUT CONVERSATIONS WAS CONTINUING GOJ ASSUMPTION THAT TOURIST TRAFFIC TO MARIANAS, TO THE EXTENT THAT IT IS JAPANESE NATIONALS, SHOULD BE CARRIED BY JAPAN'S NATIONAL CARRIER.

SHOESMITH

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